

Addendum
to an application for an
Idaho Community Development Block Grant

by

Jefferson County
Commissioner R. Tad Hegsted

March 6, 2009

Prepared by The Development Company (E.C.I.P.D.A.)

March 6, 2009

Donald Dietrich, Director
Idaho Department of Commerce
P. O. Box 83720/700 W State Street
Boise, ID 83720-0093

Dear Mr. Dietrich,

Jefferson County appreciates the opportunity to submit our addendum information in conjunction with our application for an Idaho Community Development Block Grant.

This project will help to eliminate housing problems in the western Jefferson County area. All families qualifying for tenancy in the housing complex will be LMI and will be required to have a level of income from the farm labor industry as directed by USDA-Rural Development and Idaho Housing, the funding agencies for the housing complex.

On behalf of the community, the County Commissioners and I wish to express our gratitude to the Department for their interest in our project. Housing for farm workers remains a critical need in our community. We welcome the opportunity to state our mission to Department staff and the Economic Advisory Council.

Sincerely,

R. Tad Hegsted, Chairman
Jefferson County Commissioners

ICDBG Application Information Form

Applicant: Jefferson County Chief Elected Official: R. Tad Hegsted, Commissioner
 Address: 210 Courthouse Way Rigby, ID 83442 Phone: (208) 745-7756

Sub recipient (if applicable): N/A Chief Elected Official: _____
 Address: _____ Phone: _____

Application Prepared by: Dorothy Bowen, The Development Company Phone: (208) 356-4524
 Address: 299 East 4th North Rexburg, ID 83440

Architect/Engineer/Planner (Contact Name): Mike Jaglowski, Keller Associates Phone: (208)238-2146
 Address: 412 West Center, Suite 330, Pocatello, Idaho 83204

NATIONAL OBJECTIVE (MARK ONE)

☐ LMI Area ☒ LMI Clientele ☐ Imminent Threat
☐ LMI Jobs ☐ Slum & Blight

PROJECT TYPE (MARK ONE)

☒ Public Facility/ Housing ☐ Community Center
☐ Economic Development ☐ Senior Center

PROJECT POPULATION TO BENEFIT (PERSONS): (Census/Survey/Clients/Jobs)

TOTAL # TO BENEFIT: 700 (Roberts)

TOTAL # LMI TO BENEFIT: 507 (Roberts)

% LMI TO BENEFIT: 72.4%

% MINORITY POPULATION: 59.8%

PROJECT DESCRIPTION: The construction of infrastructure (including water, wastewater, road, curb, gutter and storm water runoff). The water and waste water infrastructure will connect the site of the Lakeview Housing project to the City of Roberts infrastructure services. The housing site is in Jefferson County (adjacent to the City-being annexed in 2009). The twenty-five unit two and three bedroom housing project is being supported and financed by USDA-Rural Development and Idaho Housing and is to house farm laborers, all screened as low and moderate income individuals. Adjacent to the Lakeview Housing (apartment site) is a self help housing site. The two sites will be served by the new infrastructure construction and be managed by Eastern Idaho Community Action Partnership.

<u>SOURCE</u>	<u>AMOUNT</u>	<u>DATE APPLICATION SUBMITTED</u>	<u>RESERVED/ CONDITIONAL AWARD</u>	<u>FUNDS COMMITTED/ CONTRACT AWARD DATE</u>	<u>DOCUMENTATION IN APPENDIX ***</u>
ICDBG	<u>500,000</u>				
USDA-RD Loan & Grant	<u>2,996,284</u>	<u>May 2007</u>	<u>October 2007</u>		<u>C</u>
Idaho Housing	<u>1,057,490</u>	<u>May 2007</u>	<u>Yes - conditional</u>	-	<u>C</u>
EICAP – Land	<u>131,400</u>			<u>May 2007</u>	<u>A</u>
Jefferson County	<u>1,000</u>	<u>Nov. 13, 2007</u>		<u>Nov. 13, 2007</u>	
TOTAL PROJECT FINANCING	<u>\$4,686,174</u>				

* Identify Loan Source(s) USDA-Rural Development for Housing & Infrastructure Projects.

Idaho Community Development Block Grant Budget Form

Applicant or Grantee: Jefferson County

Project Name: Infrastructure to
Lakeview Housing

LINE ITEMS	ICDBG Cash	Idaho Housing	Federal USDA-RD- Loan & Grant	County	Private Cash EICAP*	Total
Administrative			\$65,000			\$65,000.00
Engineering			\$201,001.46			\$201,001.46
Construction plus 5% contingency	\$500,000		\$350,799.82 \$42,539.99			\$850,799.82 \$42,539.99
Legal, Financial			\$22,333.50			\$22,333.50
Audit				\$1,000.00		\$1,000.00
Subtotal Infrastructure Project	\$500,000		\$681,674.77			\$1,181,674.77
Land, Structures, Rights of Way					\$131,400	\$131,400.00
Housing Project Construction		\$1,057,490	\$2,314,609.23			\$3,372,099.23
TOTAL COSTS	\$500,000	\$1,057,490	\$2,996,284.00		\$131,400	\$4,686,174.00

*Eastern Idaho Community Action Partnership (EICAP)

Economic Advisory Council Briefing:

NEED: The eastern Idaho area and in particular an area in western Jefferson County is in critical need of housing for year-round farm labor workers and their families. Eastern Idaho Community Action Partnership (EICAP) is addressing the need for housing for qualified low and moderate income persons by constructing a 25 unit-apartment complex. Along with the apartments EICAP is also preparing lots for “self help” housing sites adjacent to the apartment complex. USDA-Rural Development and Idaho Housing are funding the complex. EICAP will own and operate the apartment complex and will follow federal requirements for determining the tenant eligibility of the farm labor LMI families. EICAP will manage and provide training and oversight for the self help homes construction.

PROBLEM: The sites are not adequately served by the necessary public infrastructure. Construction and improvements are needed for a road into the complex, storm runoff, curb, gutter, water distribution lines including culinary and fire protection, and waste water collection lines. Jefferson County, in cooperation with the City of Roberts (water and waste water services), has undertaken the task of preparing for the housing project by sponsoring this application to construct infrastructure to serve the housing sites.

SOLUTION:

- Keller Associates Engineering estimates construction of the infrastructure at \$1,181,674. The Block Grant request is for \$500,000 with the balance of \$681,674 to be paid by the Eastern Idaho Community Action Partnership.
- As the owner and operator, EICAP’s goal for the housing project, is to provide housing to low and moderate-income persons. EICAP, the County and the City are all working together to keep costs lowered so that rates are kept within range of the farm labor workers and their families.
- The project represents a significant coordination between, federal, state, and local entities in partnership with a non-profit. The USDA-Rural Development and Idaho Housing have worked closely with EICAP to develop, plan and prepare for the funding and startup of the housing project. The housing project has been coordinated by EICAP with both Jefferson County and the City of Roberts so that public infrastructure services are in place and each entity is supportive of and understands the critical need for the housing and the infrastructure.
- Eastern Idaho Community Action Partnership has developed the housing project with support and direction from Community Frameworks of Spokane. This non-profit’s goal is the research and development of affordable housing for low and moderate-income persons.
- An analysis of eastern Idaho and housing needs was conducted and reports that a minimum of 627 persons would qualify and be in need of housing with in a thirty-mile radius of the housing project. The analysis reviewed other housing availability, vacancy rates, tenancy qualifications, etc. resulting in the recommendation to construct the housing in the Roberts area.
- All of the partners in the housing project and in this infrastructure project are strongly supportive of the need for the projects and the positive results that will be achieved by the provision of safe, clean living environments for the farm labor low and moderate-income community.

Detailed Cost Analysis

1. Have preliminary plans and specs been submitted to regulatory agencies for review?

X Yes No

If yes, list date submitted: **11/7/2008 – pre design**

If no, list expected date to be submitted:

2. Has final design (for bidding) begun?

Yes **X No**

If yes, % complete: _____ %

If no, what is expected start date: **July 2009**

3. Will project include bid alternatives to meet project budget if necessary?

X Yes No

4. Are Davis Bacon wage rates applicable to the project?

X Yes No

If yes, are they included in the project costs?

X Yes No

5. Have known environmental measures been included in project costs? (ex: dust mitigation, archaeological survey, storm water drainage, wetland mitigation etc.)

X Yes No

Construction dust mitigation & storm runoff are included in the cost estimates.

6. What percent of contingency has been included in project budget?

3%

7. List the last date the owner and design professional discussed project design and details.

February 12, 2009.

8. Design Professional Cost Estimate may be found in Appendix C.

Project Schedule

Project Activity	Date (to be) Completed	Documentation in Appendix
Grant Administrator Procured	May 2008	
Design Professional	May 2007	
Other Funding Secured	November 2008	G – in application
Permits Identified & Secured	May 2009	
Environmental Review Complete	Jan. 2009-Roberts Wastewater project. 2007 for land sites.	F – in addendum
Complete 504 Requirements	August 2009	
Complete Fair Housing Requirements	August 2009	
Bids Advertised	July 2009	
Start Construction	Aug. 2009	
Second Public Hearing	November 2009	
Certificate of Substantial Completion	December 2009	
National Objective Documented	December 2010	
Closeout	December 2010	

Engineers Cost Estimate:

Securing Match

The cash match on the project involves several agencies; USDA-Rural Development, Idaho Housing, Community Frameworks and Eastern Idaho Community Action Partnership. The coordination of these various agencies has taken some time to achieve and use of the funding is “time sensitive” and again requires a coordinated effort from all of the agencies involved.

The local match comes in the form of land that EICAP has purchased with a “bridge loan” from ECIPDA. An explanation of the transactions involving the land is in “Property Documentation” described below.

Please note that a subordination agreement was signed by East-Central Idaho Planning and Development (ECIPDA) on February 12, 2009. This is accompanied by the Title Policy associated with the ECIPDA bridge loan to EICAP from September of 2007. *Appendix A*

Other match to the infrastructure project (and the housing project) comes from USDA-RD loan and grant funds. A letter from John Riker/Dale at USDA-RD Blackfoot provides their commitment to the project. See *Appendix C*.

Idaho Housing’s commitment remains as stated in the application and in their letter from March 7, 2008 which provides great detail on their involvement in the housing project. See *Appendix C*. Accompanying the letter of 3/7 is recent email correspondence between Rob Macha of Idaho Housing and Dorothy Bowen at ECIPDA. The email clarifies Idaho Housing’s continued commitment and the planned closing for March 2009.

John Riker at USDA-RD and Rob Macha at Idaho Housing have coordinated their programs and funding for the housing project. (This is reiterated in the USDA-RD letter of commitment to Dorothy Bowen of ECIPDA-*Appendix C*.)

Community Frameworks commitment is stated in their letter included in *Appendix C*.

It should be noted that the use of the term “condition commitment” is required language for each agency. It is not intended to imply hesitation to the funding but rather that steps are still in process to reach a “closing date” for that particular agency’s transfer or release of funds.

All participating agencies are fully committed to the project and the needed housing.

Property Documentation (The following information was provided by David Ogden, Manager of Lending Operations for ECIPDA.)

A copy of the Property Title as it current exists is included in *Appendix A*. An explanation of the purchase of the land is as follows:

ECIPDA provided EICAP with a bridge loan in the amount of \$50,171.33 to help them purchase the original 10 acres of ground which was sold as a single parcel. It was to be divided up and used for two projects, the Self Help project (7 acres) and the Lakeview Apartment project (3 acres). This transaction provided an interim solution to achieve coordination with the long-term financing partners.

Community Frameworks is providing two separate pieces of funding. The majority of their funding is for the Self Help development which allows families to purchase ground and then build affordable single family housing. Community Frameworks is placing a lien on the property for the Self Help portion of the project (7 acres). As the self help property sells the loan is reduced and then the lien is released by Community Frameworks. NOTE: since ECIPDA has a lien on all 10 acres it was necessary for ECIPDA to subordinate to Community Frameworks. ECIPDA will be paid off by March 12, 2009 from the Community Frameworks funds and ECIPDA will release their lien.

The other 3 acres are for the Lakeview Apartment project and has USDA grant and loan funds to fund the project. The 3 acres will have a lien by USDA-RD.

The property appraisal summary page and title page are included in Appendix G. (Full appraisal is 100 pages long – copy upon request). Final property value estimate is \$380,000 for the 10 acres.

Pro-Forma of Rates on Infrastructure Services

The City of Roberts (provider of water and wastewater services to the sites) has a USDA-Rural Development and Block Grant funded project in active status. The project is for the improvement of the wastewater system. During the development of the wastewater project pro-forma information was prepared by USDA-RD and found satisfactory. *Appendix B.*

The City raised their rates to provide for the systems operations and maintenance and for future repairs. The City was aware of the pending housing project during its preparations for their wastewater system improvements. The water system was upgraded in 2002-2003. The City reiterates their support for the project in their letter of 1/22/09. *Appendix C.*

There is not a specific assessment for the Lakeview Housing project however USDA-RD has reiterated their commitment and participation in the project in their letter in Appendix C. Closing of USDA-RD funding is scheduled for March 12, 2009.

USDA's strong commitment to the project can be noted by recognizing that their funding is a combination of a large grant (\$2,646,284.) and small loan of (\$ 350,000.).

Lending Agency Loan Amounts

USDA-RD and Idaho Housing have worked together to understand the funding components to the project and analyzing EICAP's capacities to manage the financial and long-term aspects of the housing projects. Both USDA-RD and Idaho Housing commitments remain in place.

Please reference the letters of commitment and conditions for details. *Appendix C.*

Fair Housing Resolution

The Fair Housing Resolution was published in the Jefferson star on February 4, 2009. *Appendix D.*

Scope of Work Changes

The Scope remains as discussed and detailed in the application. All agencies involved are on board and working together to start construction in 2009.

Project Specific Questions

Management Plan

Eastern Idaho Community Action Partnership has provided their standard “Mutual Self Help Housing Family Association and Mutual Services Agreement” for the self help housing site in *Appendix E*. The information describes their program and management of self help housing construction programs. Also included in *Appendix E* is the information regarding the management of the Lakeview Family Housing apartment complex. Note that the apartments and their tenants must meet USDA-Rural Development guidelines for family income including where the income is derived, rents to be charged, etc.

Housing Needs Assessment

An analysis of the area and its needs for housing services are included as a Market Analysis in *Appendix E*.

Community Frameworks Commitment

Their letter of commitment includes \$105,000 + \$145,000 in funding. This is more funding than originally committed by Community Frameworks. The funding originates from HUD-SHOP funds, through Community Frameworks and then to EICAP. The funding can only be used for specific items within the project.

Although the Community Frameworks funding is termed a “loan” if EICAP meets all conditions of the program for the self help housing then the funding will stay with EICAP to help develop additional housing projects in eastern Idaho. *Appendix C*.

Environmental Review

The Environmental Review for the project consists of two separate reviews. One review was conducted on behalf of the City of Roberts and the improvements it is constructing to their wastewater treatment system. An Environmental Information Document (EID) has been submitted to and approved by Idaho Department of Environmental Quality. *Appendix F* – letter IDEQ 1/30/2009.

A second review was conducted on the property for the housing sites. This was required by USDA-Rural Development and Idaho Housing to clear the land prior to purchase by EICAP. *Appendix F*.

Both Environmental Reviews provide clearance for the project to proceed.

APPENDIX A

LOCAL MATCH TO THE PROJECT

Documentation of Land Transactions

APPENDIX B

ANALYSIS OF INFRASTRUCTURE RATES

The wastewater project now preparing for summer 2009 construction was funded by ICDBG and USDA-Rural Development. At that time the infrastructure rates analysis was conducted and found satisfactory to the City of Roberts systems.

At this time the rates for the City of Roberts residential users are:

Water Rate: Monthly - \$28.00 base plus \$.65 per 1,000 gallons use.

Wastewater Rate: Monthly - \$38.70. In Oct. 2009 raises to \$40.30 per month.

APPENDIX C

LETTERS OF SUPPORT AND COMMITMENT

City of Roberts - Letter of Support

Community Frameworks – Letter of Commitment

USDA-Rural Development – Letter of Commitment

Idaho Housing – Letter of Commitment

APPENDIX D

FAIR HOUSING RESOLUTION

APPENDIX E

MANAGEMENT PLANS

Self Help Housing

Lakeview Family Housing

MARKET ANALYSIS

Community Needs Assessment-Single Family Housing

APPENDIX F

ENVIRONMENTAL REVIEW DOCUMENTS

APPENDIX G

Property Appraisal